

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

BEAL BANK NEVADA,

Plaintiff,

vs.

BARCLAYS CAPITAL, INC., a corporation,
NEUBERGER BERMAN LLC, a limited
Liability company, and RIDGE CLEARING &
OUTSOURCING SOLUTIONS, INC., a
corporation,

Defendants.

Civil Action No. 09-664 (JMR/FLN)

**MEMORANDUM OF DEFENDANTS
NEUBERGER BERMAN LLC AND
RIDGE CLEARING &
OUTSOURCING SOLUTIONS, INC.
IN RESPONSE TO PLAINTIFF'S
MOTION FOR SUMMARY
JUDGMENT**

Plaintiff Beal Bank Nevada has moved the Court for Summary Judgment pursuant to Rule 56 of the Federal Rules of Civil Procedure. Plaintiff's Motion will be heard by the Court on February 5, 2010. The Plaintiff's motion seeks an Order granting possession of certain Pledged Securities that were offered by a borrower as collateral in a loan transaction in which the former Plaintiff in this action, BankFirst, was the Lender.

Defendant Neuberger Berman LLC is the investment adviser with respect to the Pledged Securities. Defendant Ridge Clearing & Outsourcing Solutions, Inc. is the physical custodian of the Pledged Securities.

The Plaintiff is asserting rights under a document entitled Second Amended and Restated Third Party Security Agreement dated February 21, 2007. The Pledgor under that Agreement is an entity known as Skatter Investments, LLC, a Florida limited liability company, which acted on behalf of Regalia, LLC, a Florida limited liability company, also known as the Borrower in the underlying loan transaction. Counsel for the Defendants notified counsel for Skatter Investments and Regalia of the pendency of this motion for summary judgment. The Borrower has not intervened in this action.

The Defendants do not oppose the motion for summary judgment of Beal Bank Nevada.

MESSERLI & KRAMER, P.A.

Dated: January 19, 2010

s/George R.Serdar
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